

MINUTE ITEM

8/8/66

18. REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 2879.1, SANTA BARBARA COUNTY; UNION OIL COMPANY OF CALIFORNIA - W.O. 6208.

After consideration of Calendar Item 20 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT TO UNION OIL COMPANY OF CALIFORNIA A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 2879.1 THROUGH APRIL 11, 1967, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 20 (1 page)

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 2879.1, SANTA BARBARA COUNTY; UNION OIL COMPANY OF CALIFORNIA - W.O. 6208.

An application has been received from Union Oil Company of California requesting a deferment of drilling requirements from October 11, 1966, to April 11, 1967.

State Oil and Gas Lease P.R.C. 2879.1, containing approximately 5,653 acres of tide and submerged lands in Santa Barbara County, was issued on April 26, 1962, to Union Oil Company of California, pursuant to competitive public bidding.

Development of the lease to date has included the drilling of a total of 13 wells. Eleven of the wells were abandoned or suspended, and two were shut-in. Drilling operations on the lease were last conducted on June 14, 1965.

Deferments of drilling requirements have been granted by the Commission from October 11, 1965, and extend through October 11, 1966.

Union, since December 16, 1964, has been attempting to acquire onshore properties adjacent to the lease to facilitate further development and production of oil from the lease. Union states that it is now expecting to complete the negotiation for the onshore properties sometime this fall.

In order to allow the necessary time to acquire the onshore properties and properly prepare for the development of the lease, Union has requested an additional six-month deferment.

Union's total drilling operations on the lease to date would cover the minimum drilling requirements under the terms of the lease for a period terminating on December 24, 1970.

In conformance with current Commission practice of granting deferments for periods not in excess of six months,

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO GRANT TO UNION OIL COMPANY OF CALIFORNIA A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 2879.1 THROUGH APRIL 11, 1967, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.